

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549



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SEC FILE NUMBER

8-35899

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

REC'D S.E.C.

AUG 23 2002

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

RV 9/13/02

REPORT FOR THE PERIOD BEGINNING 7-01-01 AND ENDING 6-30-02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Pioneer Portfolio Corp.

OFFICIAL USE ONLY

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

20 Beith Street

(No. and Street)

Coplaque

(City)

NY

(State)

11726

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Ray Kirton

(800) 468-3789

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Sands + Co., C.P.A.'s PC

(Name — if individual, state last, first, middle name)

535 Broadhollow Rd.

(Address)

Melville

(City)

NY

(State)

11747

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

PROCESSED

FOR OFFICIAL USE ONLY

SEP 20 2002

THOMSON
FINANCIAL

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (3-91)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently validOMB control number.

809-13

OATH OR AFFIRMATION

I, Roy Skirton, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Pioneer Portfolio Corp., as of June 30, 192002 are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

CAROL A. HARMAN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01HA4874074
QUALIFIED IN SUFFOLK COUNTY
TERM EXPIRES OCT. 20, 2002

Carol A. Harman
Notary Public

[Signature]

Signature

President

Title

This report** contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

SCHEDULE I
ANNUAL AUDITED FOCUS REPORT
FORM X-17A-5
PART IIA

3/91

(Please read instructions before preparing Form.)

Report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) ☒ 16

2) Rule 17a-5(b) ☐ 17

3) Rule 17a-11 ☐ 18

4) Special request by designated examining authority ☐ 19

5) Other ☐ 26

BROKER-DEALER

SEC FILE NO.

8-35899

14

FIRM ID. NO.

11-2778039

15

FOR PERIOD BEGINNING (MM/DD/YY)

7-01-01

24

AND ENDING (MM/DD/YY)

6-30-02

25

PIONEER PORTFOLIO CORP

13

OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

20 Beith Street

20

(No. and Street)

Coplaque

21

NY

22

11726

23

(City)

(State)

(Zip Code)

10 TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Roy Kirtan

30

(Area Code)—Telephone No.

(800)468-3789

31

OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

32

34

36

38

OFFICIAL USE

33

35

37

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS?

YES ☐ 40

NO ☐ 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

☐ 42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Signed the _____ day of AUGUST 2002

Manual signature of:

1) [Signature]
Principal Executive Officer or Managing Partner

2) _____
Principal Financial Officer or Partner

3) _____
Principal Operations Officer or Partner

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 781(a))

10-017817-M
PIONEER PORTFOLIO CORP.

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

Name (If individual, state last, first, middle name)

Sands + Co CPAs PC 70
 ADDRESS Number and Street City State Zip Code

535 Broadhollow Rd 71 Melville 72 NY 73 11747 74

Check One

- ☒ Certified Public Accountant 75
 () Public Accountant 76
 () Accountant not resident in United States or
 any of its possessions 77

FOR SEC USE

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DO NOT WRITE UNDER THIS LINE... FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA.

BROKER OR DEALER

Pioneer Portfolio Corp

N3

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) 10-30-02

SEC FILE NO. 8-35899

Consolidated

Unconsolidated

Total

ASSETS

Allowable

Non-Allowable

Cash	\$	200		\$	17,543	
Receivables from brokers or dealers:						
A. Clearance account	Y	295				
B. Other		300	\$	550		8
Receivables from non-customers		355		600		8
Securities and spot commodities owned, at market value:						
A. Exempted securities		418				
B. Debt securities		419				
C. Options		420				
D. Other securities		424				
E. Spot commodities	Y	430				35
Securities and/or other investments not readily marketable:						
A. At cost	Y	130				
B. At estimated fair value		440		610		35
Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:						
A. Exempted securities		150				
B. Other securities		160				
Secured demand notes:		470		640		35
market value of collateral:						
A. Exempted securities		170				
B. Other securities		180				
Memberships in exchanges:						
A. Owned, at market		190				
B. Owned, at cost				650		
C. Contributed for use of the company, at market value			Y	660		90
Investment in and receivables from affiliates, subsidiaries and associated partnerships		480		670	26,740	9
Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization		490		680		9
Other assets		535		735		9
TOTAL ASSETS	Y	640	\$	740	44,283	9

OMIT PEN

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER PIONEER PORTFOLIO CORP

as of 6-30-02

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities*</u>	<u>Non-A.I. Liabilities*</u>	<u>Total</u>
Bank loans payable.....	\$ <u>1045</u>	\$ <u>1255</u>	\$ <u>14</u>
Payable to brokers or dealers:			
A. Clearance account.....	<u>1114</u>	<u>1315</u>	<u>15</u>
B. Other.....	<u>1115</u>	<u>1305</u>	<u>15</u>
Payable to non-customers.....	<u>1155</u>	<u>1355</u>	<u>16</u>
Securities sold not yet purchased, at market value.....		<u>1360</u>	<u>16</u>
Accounts payable, accrued liabilities, expenses and other.....	<u>1205</u>	<u>1385</u>	<u>163</u>
Notes and mortgages payable:			
A. Unsecured.....	<u>1210</u>		<u>163</u>
B. Secured.....	<u>1211</u>	<u>1390</u>	<u>170</u>
Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		<u>1400</u>	<u>17</u>
1. From outsiders \$ <u>970</u>			
2. Includes equity subordination (15c3-1 (d)) of \$ <u>980</u>			
B. Securities borrowings, at market value:		<u>1410</u>	<u>172</u>
from outsiders \$ <u>990</u>			
C. Pursuant to secured demand note collateral agreements:		<u>1420</u>	<u>173</u>
1. from outsiders \$ <u>1000</u>			
2. Includes equity subordination (15c3-1 (d)) of \$ <u>1010</u>			
D. Exchange memberships contributed for use of company, at market value.....		<u>1430</u>	<u>174</u>
E. Accounts and other borrowings not qualified for net capital purposes.....	<u>1220</u>	<u>1440</u>	<u>175</u>
TOTAL LIABILITIES	\$ <u>1230</u>	\$ <u>1450</u>	\$ <u>176</u>

Ownership Equity

Sole proprietorship.....	\$ <u>1020</u>	\$ <u>177</u>
Partnership (limited partners.....)		<u>173</u>
Corporation:		
A. Preferred stock.....		<u>179</u>
3. Common stock.....		<u>39,000</u>
C. Additional paid-in capital.....		<u>179</u>
D. Retained earnings.....		<u>19,283</u>
E. Total.....		<u>49,283</u>
F. Less capital stock in treasury.....		<u>5,000</u>
TOTAL OWNERSHIP EQUITY		<u>44,283</u>
TOTAL LIABILITIES AND OWNERSHIP EQUITY		<u>44,283</u>

*Brokers or dealers electing the alternative net capital requirement method need not complete these columns.

ALTERNATIVE FILER

FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

PIONEER PORTFOLIO CORP

as of 6-30-02

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition.....	\$	<u>44,283-</u>	3
2. Deduct ownership equity not allowable for Net Capital.....			3
3. Total ownership equity qualified for Net Capital.....		<u>44,283-</u>	3
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....			3
B. Other (deductions) or allowable credits (List).....			3
5. Total capital and allowable subordinated liabilities.....	\$		3
6. Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) \$		<u>26740-</u>	3540
B. Secured demand note deficiency.....			3590
C. Commodity futures contracts and spot commodities- proprietary capital charges.....			3600
D. Other deductions and/or charges.....			3610
7. Other additions and/or allowable credits (List).....		<u>26740-</u>	36
8. Net capital before haircuts on securities positions.....	\$	<u>17,543-</u>	36
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):			
A. Contractual securities commitments.....	\$		3660
B. Subordinated securities borrowings.....			3670
C. Trading and investment securities:			
1. Exempted securities.....			3735
2. Debt securities.....			3733
3. Options.....			3730
4. Other securities.....			3734
D. Undue Concentration.....			3650
E. Other (List).....			3736
Net Capital.....	\$	<u>17,543-</u>	37

OMIT PEN:

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

ROKER OR DEALER

PIONEER Portfolio Corp

as of 6-30-02

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

1. Minimum net capital required (6-2/3% of line 19)	\$		3
2. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	<u>5,000</u>	3
3. Net capital requirement (greater of line 11 or 12)	\$	<u>5,000</u>	3
4. Excess net capital (line 10 less 13)	\$	<u>12,543</u>	3
5. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	<u>17,543</u>	3

COMPUTATION OF AGGREGATE INDEBTEDNESS

Total A.L. liabilities from Statement of Financial Condition	\$	<u>—</u>	3
Add:			
A. Drafts for immediate credit	\$	<u>3800</u>	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	<u>3810</u>	
C. Other unrecorded amounts (List)	\$	<u>3820</u>	38
Total aggregate indebtedness	\$	<u>—</u>	38
Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%		38
Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%		38

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

2% of combined aggregate debt items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debts	\$	<u>N/A</u>	38
Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		38
Net capital requirement (greater of line 22 or 23)	\$		37
Excess net capital (line 10 less 24)	\$		39
Net capital in excess of:			
5% of combined aggregate debt items or \$120,000	\$		39

OMIT PENN.

NOTES:

1. The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:

1. Minimum dollar net capital requirement, or
2. 6-2/3% of aggregate indebtedness or 2% of aggregate debts if alternative method is used.

Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.

For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER PIONEER PORTFOLIO CORP

For the period (MMDDYY) from 7-07-01-01 to 06-30-02
Number of months included in this statement 12

STATEMENT OF INCOME (LOSS)

REVENUE

Commissions:		
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$	0
b. Commissions on listed option transactions	\$	0
c. All other securities commissions		69,662 -
d. Total securities commissions		69,662 -
Gains or losses on firm securities trading accounts		
a. From market making in options on a national securities exchange		0
b. From all other trading		0
c. Total gain (loss)		0
Gains or losses on firm securities investment accounts		0
Profit (loss) from underwriting and selling groups		0
Revenue from sale of investment company shares		0
Commodities revenue		0
Fees for account supervision, investment advisory and administrative services		0
Other revenue		0
Total revenue	\$	69,663 -

EXPENSES

Salaries and other employment costs for general partners and voting stockholder officers	\$	410
Other employee compensation and benefits	\$	41
Commissions paid to other broker-dealers		414
Interest expense		407
a. Includes interest on accounts subject to subordination agreements	4070	
Regulatory fees and expenses		1316 -
Other expenses		59,191 -
Total expenses	\$	60,507 -

INCOME

Net income (loss) before Federal income taxes and items below (Item 9 less Item 18)	\$	9,156 -
Provision for Federal income taxes (for parent only)	\$	793 -
Equity in earnings (losses) of unconsolidated subsidiaries not included above		422
After Federal income taxes of	4238	
Extraordinary gains (losses)		422
After Federal income taxes of	4239	
Cumulative effect of changes in accounting principles		422
Net income (loss) after Federal income taxes and extraordinary items	\$	8,363 -

MONTHLY INCOME

Income (current month only) before provision for Federal income taxes and extraordinary items	\$	421
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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

PIONEER PORTFOLIO CORP

For the period (MMDDYY) from 07-01-01 to 06-30-02

STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period	\$	<u>10,920-</u>
A. Net income (loss)		<u>8,363-</u>
B. Additions (Includes non-conforming capital of	\$	<div style="border: 1px solid black; padding: 2px;">4262</div>
C. Deductions (Includes non-conforming capital of	\$	<div style="border: 1px solid black; padding: 2px;">4272</div>
2. Balance, end of period (From item 1800)		\$ <u>19,283-</u>

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period	\$	
A. Increases		
B. Decreases		
4. Balance, end of period (From item 3520)	\$	

OMIT P

BROKER OR DEALER

PIONEER PORTFOLIO CORP

as of 06-30-02

Exemptive Provision Under Rule 15c3-3

If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

- A. (k) (1)—\$2,500 capital category as per Rule 15c3-1
- B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained
- C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm 4335
- D. (k) (3)—Exempted by order of the Commission

5,000	<input checked="" type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)
Y M 4600	4601	4602	4603	4604	
Y M 4610	4611	4612	4613	4614	
Y M 4620	4621	4622	4623	4624	
Y M 4630	4631	4632	4633	4634	
Y M 4640	4641	4642	4643	4644	
Y M 4650	4651	4652	4653	4654	
Y M 4660	4661	4662	4663	4664	
Y M 4670	4671	4672	4673	4674	
Y M 4680	4681	4682	4683	4684	
Y M 4690	4691	4692	4693	4694	
TOTAL \$			4699		

OMIT PENNIES

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE: DESCRIPTION

1. Equity Capital
2. Subordinated Liabilities
3. Accruals
4. 15c3-1(c)(2)(iv) Liabilities

ADDITIONAL SUPPLEMENTAL INFORMATION

SANDS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
535 BROAD HOLLOW ROAD, SUITE A-11
MELVILLE, NEW YORK 11747

PHONE (631) 752-2152
FAX (631) 752-1493

August 20, 2002

Pioneer Portfolio Corporation
134 Broadway 1st Floor
Amityville, NY 11701

Reference: Reconciliation of any material differences
between the Audited Computation of Net
Capital and the corresponding Unaudited
Part IIA.

Report describing any material
inadequacies found to exist or found to
have existed since date of previous audit.

To The Board of Directors:

Pleased be advised that during the course of our audit engagement there were no material differences between the adjusted net capital requirement per 15C3-1 computation as prepared by Pioneer Portfolio Corporation on its Focus Report for the quarter ended June 30, 2002, and the computation prepared by this accounting firm on the audited annual Focus Report.

Furthermore, no material inadequacies existed in the accounting system, internal accounting control, and procedures for safeguarding securities of Pioneer Portfolio Corporation for the year ended June 30, 2002.

Sands & Co CPT

SANDS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
535 BROAD HOLLOW ROAD, SUITE A-11
MELVILLE, NEW YORK 11747

PHONE (631) 752-2152
FAX (631) 752-1493

SCHEDULE III

August 20, 2002

Pioneer Portfolio Corporation
134 Broadway 1st Floor
Amityville, NY 11701

Reference: Reconciliation between the audited and
unaudited Statements of Financial
Condition with respect to methods of
consolidation.

To The Board of Directors:

With respect to the above referenced Reconciliation, please be advised that, as a single reporting entity with no consolidation with any other entity, there would be no need for the above referenced procedure.

Sands & Co CPA's

SANDS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
535 BROAD HOLLOW ROAD, SUITE A-11
MELVILLE, NEW YORK 11747

PHONE (631) 752-2152
FAX (631) 752-1493

SCHEDULE IV

August 20, 2002

Pioneer Portfolio Corporation
134 Broadway 1st Floor
Amityville, NY 11701

Reference: Computation for Determination of Reserve
 Requirements pursuant to Rule 15C 3-3

To The Board of Directors:

Please be advised that you are not subject to the Reverse Requirements and the Possession or Control Requirements under Rule 15C 3-3 due to the fact that you do not clear transactions for customers of carry customer accounts.

Sands & Co CPA

SANDS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
535 BROAD HOLLOW ROAD, SUITE A-11
MELVILLE, NEW YORK 11747

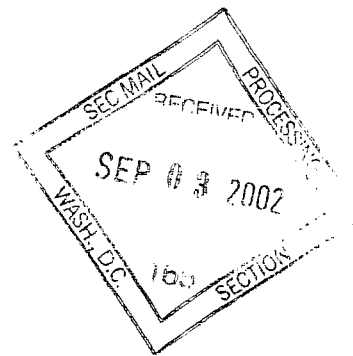
PHONE (631) 752-2152
FAX (631) 752-1493

SCHEDULE V

PIONEER PORTFOLIO CORPORATION
COMPUTATION OF NET CAPITAL UNDER 15 C 3 - 1
OF THE SECURITIES AND EXCHANGE COMMISSION
AS OF JUNE 30, 2002

Cash in bank	\$ 17,543
Loan	<u>26,740</u>
Total current assets	44,283
Less - affiliated receivable	26,740
Adjusted net capital	<u>17,543</u>
Minimum net capital	<u>5,000</u>
Excess net capital	<u><u>\$ 12,543</u></u>

Sands & Co CPTA's



PIONEER PORTFOLIO CORPORATION
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2002
AND
AUDITOR'S REPORT

PIONEER PORTFOLIO CORPORATION
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2002

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SANDS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
535 BROAD HOLLOW ROAD, SUITE A-11
MELVILLE, NEW YORK 11747

PHONE (631) 752-2152
FAX (631) 752-1493

INDEPENDENT AUDITOR'S REPORT

August 20, 2002

The Board of Directors and Stockholders of
Pioneer Portfolio Corporation

We have audited the accompanying statement of financial condition of Pioneer Portfolio Corporation as of June 30, 2002, and the related statement of operations, changes in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pioneer Portfolio Corporation as of June 30, 2002 and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, III, IV, and V is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17A-5 of the Securities and Exchanges Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sands & Co CPAs

PIONEER PORTFOLIO CORPORATION
FINANCIAL CONDITION
JUNE 30, 2002

ASSETS

Current assets:	
Cash	\$ 17,543
Loan receivable	<u>26,740</u>
Total current assets	44,283
Furniture and fixtures net of accumulated depreciation of \$15,430 - Note 1	<u>0</u>
Total assets	<u>\$ 44,283</u>

LIABILITIES & STOCKHOLDERS' EQUITY

Current liabilities:	
Total liabilities	<u>\$ 0</u>
Stockholders' equity:	
Common stock - 30 shares authorized, and issued	30,000
Retained earnings	<u>19,283</u>
	49,283
Less: Treasury stock, 20 shares at cost	<u>5,000</u>
Total stockholders' equity	<u>44,283</u>
Total liabilities and stockholders' equity	<u>\$ 44,283</u>

The accompanying Notes to Financial Statements are an integral part of the financial statements.

PIONEER PORTFOLIO CORPORATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2002

Revenue:	
Commissions	\$ 69,663
Operating expenses:	
N.A.S.D. fees	1,316
Telephone	29,328
Professional fees	6,748
Rent	18,328
Office and miscellaneous	<u>4,156</u>
	<u>59,876</u>
Income from operations	9,787
Provision for income tax expense	<u>1,424</u>
Net Income	<u><u>\$ 8,363</u></u>

The accompanying Notes to Financial Statements are an integral
part of the financial statements.

PIONEER PORTFOLIO CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED JUNE 30, 2002

Retained earnings - beginning	\$ 10,920
Net Income	<u>8,363</u>
Retained earnings - ending	<u>\$ 19,283</u>

The accompanying Notes to Financial Statements are an integral
part of the financial statements.

PIONEER PORTFOLIO CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002
INCREASE (DECREASE) IN CASH

Cash flows from operating activities:	
Net Income	\$ 8,363
(Increase) Decrease in:	
Loans	<u>(5,202)</u>
Net cash used in operating activities	
Net increase in cash	3,161
Cash at beginning of year	<u>14,382</u>
Cash at end of year	<u>\$ 17,543</u>

Supplemental disclosures of cash flow information:

Cash paid during the year for:	
Income taxes	\$ 1,424

The accompanying Notes to Financial Statements are an integral part of the financial statements.

PIONEER PORTFOLIO CORPORATION
Notes to Financial Statements
For the Year Ended June 30, 2002

Note 1. - Nature of the Business and Summary of Significant Accounting Policies

The Company's principal business is that of a registered broker-dealer subject to the rules and regulations of the National Association of Securities Dealers (NASD) and the Securities and Exchange Commission (SEC).

- (a) Income Recognition - Income is recognized at the completion of each brokered transaction.
- (b) Furniture and Fixtures - Furniture and fixtures are stated at cost. Depreciation has been calculated on a straight line basis over a five (5) year useful life.
- (c) Income Taxes - Income tax expense includes federal and state taxes currently payable. This corporation is taxed as a "C" Corporation.

Note 2. - Related Party Transactions

The Company has a related stockholder with Pioneer Services, Inc. a non-registered company. The related party shares office space, on a month to month basis and charges various overhead expenses to the Company.

Note 3. - Income Taxes

The Company's provision for income taxes reflects amounts currently payable to the taxing authorities. There were no transactions that would cause the Company to record deferred income taxes.

The Company, for federal income tax purposes, is considered a member of a controlled group. Pursuant to Internal Revenue Code, the members of this controlled group of corporations consented that the Company's income be apportioned to the lowest tax bracket for the fiscal year ending June 30, 2002.

PIONEER PORTFOLIO CORPORATION
Notes to Financial Statements
For the Year Ended June 30, 2002

Note 4. - Regulations

As a registered broker-dealer, Pioneer Portfolio Corporation is subject to the requirements of rule 15C 3 -1 under the Securities Exchange Act of 1934. The basic concept of the rule is liquidity; its object to require a broker-dealer to have at all times sufficient liquid assets to cover its current indebtedness. Specifically, the rule prohibits a broker-dealer from permitting its aggregate indebtedness from exceeding 15 times its net capital. On June 30, 2002, the Company's aggregate indebtedness and net capital, as defined were \$ -0- and \$17,543 respectively.

The minimum required net capital for Pioneer Portfolio Corporation is \$5,000.

SUPPLEMENTAL INFORMATION